



Advocating for South Dakota's Rural Broadband Providers

April 14, 2014

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

RE: *Connect America Fund, WC Docket No. 10-90; High-Cost Universal Service Support, WC Docket No. 05-337; AT&T Petition to Launch a Proceeding Concerning the TDM-IP Transition; Petition of NTCA for a Rulemaking to Promote and Sustain the Ongoing TDM-to-IP Evolution, GN Docket No. 12-353; Modernizing the E-Rate Program for Schools and Libraries, WC Docket No. 13-184; and Amendment of the Commission's Rules Related to Retransmission Consent, MB Docket No. 10-71*

Dear Ms. Dortch:

On Thursday, April 10, 2014, the undersigned, on behalf of the South Dakota Telecommunications Association ("SDTA"), and Denny Law, General Manager/CEO, and Greg Oleson, Director of Member Services, Communications, and Government Affairs, representing Golden West Telecommunications Cooperative ("Golden West") met with Commission Chairman Tom Wheeler, Geoffrey C. Blackwell, Chief of the Office of Native Affairs and Policy (ONAP), and Irene Flannery, Deputy Chief of ONAP, in Rapid City, South Dakota.

At this meeting, we shared the attached information with Chairman Wheeler and ONAP Staff and offered further background concerning the service areas and tribal areas in South Dakota served by the rural local exchange carrier members of SDTA. Information was provided regarding the broadband services and speeds that have been deployed in these areas by the rural carrier members of SDTA. Denny Law described the challenges faced in keeping up with consumer and community needs for broadband services through new and necessary broadband infrastructure investments. Information related to the current broadband services offered to customers and community anchor institutions located within the five Indian Reservations partly located within Golden West service areas was shared and we discussed Golden West's recently announced plans to invest in a new fiber-to-the-home project on the Pine Ridge Reservation.

We also discussed with the Chairman and ONAP Staff various matters related to the FCC's pending E-Rate Modernization proceeding. Information in the attached documents was referenced concerning, specifically, the fiber connections and broadband capacity and

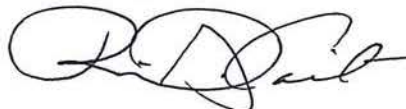
speeds presently available to hundreds of South Dakota schools through SDTA member companies' and SDN Communications network facilities. We discussed in general the concerns of rural carriers with the prospect of incenting facility over-builds or duplication in higher cost rural areas using E-Rate funds, explaining how encouraging over-builds to community anchor institution customers in rural rate-of-return carrier areas undermines other universal service objectives.

We also discussed a number of high cost funding related issues for rural rate-of-return ("ROR") carriers. SDTA and Golden West commented on the increasing difficulties faced by ROR carriers in not having the ability to sell standalone broadband services to end user customers without losing per line high cost funding. Expedited action by the FCC to address the issue and provide ROR carriers with a high cost funding mechanism that directly supports broadband service was encouraged. The Commission's announced federal "local rate floor" was also discussed and, consistent, with recent comments filed by the NTCA-The Rural Broadband Association, SDTA and Golden West voiced support for Commission action that would delay any increases needed to meet the announced floor and also provide time for a re-evaluation of that floor.

Discussions also touched on the Commission's recent action related to retransmission consent negotiations between MVPDs and video program/content providers. The link between affordable programming and broadband adoption was discussed. It was explained that the ever-increasing prices for video content – both the price of retransmission consent for off-air network programming and the price of carriage rights for popular cable and satellite sports, entertainment and news channels is a major problem for rural carriers. Rural carriers, in particular, have no bargaining power or leverage under the current negotiation framework and, consequently, Golden West and other SDTA member carriers are universally paying considerably more for video content than other larger video program distributors.

Thank you for your attention to this correspondence. Pursuant to Section 1.1206 of the Commission's rules, a copy of this letter is being filed via ECFS.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard D. Coit", written over a horizontal line.

/s/ Richard D. Coit

Richard D. Coit

Executive Director and General Counsel



21 Incumbent Landline Providers

14 Member-Owner Cooperatives and Subsidiaries

Alliance (Garretson)

Golden West (Wall)

Interstate (Clear Lake)

James Valley (Groton)

TrioTel (Salem)

Midstate (Kimball)

Roberts County/RC Communications (New Effington)

Santel (Woonsocket)

Valley (Herreid)

Venture/Western Telephone (Highmore)

West River Telecom (Hazen, ND, serving Mobridge)

West River Coop (Bison)

3 Privately-Owned

Fort Randall (Wagner)

Kennebec Telephone

Long Lines (Jefferson)

3 Municipal Companies

Beresford

Swiftel (Brookings)

Faith

1 Tribal Authority

Cheyenne River Sioux Tribal Telephone (Eagle Butte)

